



Sandmartin International Holdings Limited

聖馬丁國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 482)

Terms of Reference of the Remuneration Committee

The Remuneration Committee

The board of directors (the “**Board**”) of **Sandmartin International Holdings Limited** (the “**Company**”) established a committee of the Board known as the Remuneration Committee (the “**Remuneration Committee**”), a summary of its constitution and particular duties are set out below:

1. Membership

- 1.1 The Remuneration Committee members shall be appointed by the Board.
- 1.2 The Remuneration Committee shall consist of not less than three members. The majority of Remuneration Committee members shall be independent non-executive directors of the Company.
- 1.3 The chairman of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive director of the Company.
- 1.4 The term of each appointment to the Remuneration Committee shall be determined by the Board upon appointment.

2. Secretary

- 2.1 The Company Secretary shall be the secretary of the Remuneration Committee.
- 2.2 The Remuneration Committee may from time to time appoint another secretary with appropriate qualifications and experience.

3. Meetings

- 3.1 At least one meeting will be held each year.
- 3.2 Notice of each meeting confirming the venue, time and date shall be sent to each member of the Remuneration Committee, and to any other person required to attend in relation to all meetings of the Remuneration Committee, at least 7 days before the date of the meeting, unless such notification is waived by all members of the Remuneration Committee. Notwithstanding the notification period, the attendance of the member of the Remuneration Committee at the meeting would deem to be treated as the waiver of the required notification requirement. If the adjourned meetings are held within 14 days, no prior notice is required.
- 3.3 The quorum of Remuneration Committee meetings shall be two members, one of whom should be an independent non-executive director of the Company.
- 3.4 Meetings can be attended in person or via electronic means including telephonic or video conferencing or through other electronic means of communication (whereby all persons participating in the meeting can communicate with each other simultaneously and instantaneously).
- 3.5 Resolutions of the Remuneration Committee shall be passed with a majority of votes.
- 3.6 Resolutions signed by all members of the Remuneration Committee will be treated valid as if it is passed in the meeting held by the Remuneration Committee.
- 3.7 Minutes of the Remuneration Committee meetings shall be kept by the secretary of the Remuneration Committee and shall be available for inspection by any member of the Remuneration Committee and/or any director of the Company at any reasonable time on reasonable notice. Draft and final versions of minutes of Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the Remuneration Committee shall circulate the minutes and reports of the Remuneration Committee to all members of the Board.

4. Attendance of Meetings

- 4.1 Upon invitation by the Remuneration Committee, the chairman of the Board and/or the general manager or the chief executive, external consultant and other board members may attend all or any of the meetings.
- 4.2 Only the Remuneration Committee members shall have voting powers in the meeting.

5. Annual general meetings

- 5.1 The chairman of the Remuneration Committee shall endeavour to attend the annual general meetings of the Company and be prepared to respond to any shareholder's questions on the Remuneration Committee's activities. If the chairman of the Remuneration Committee is unable to attend, a member of the Remuneration Committee (who must be an independent non-executive director of the Company) shall attend the annual general meeting of the Company. Such person shall be prepared to respond to any shareholder's questions on the Remuneration Committee's activities.

6. Duties and responsibilities

The duties and responsibilities of the Remuneration Committee shall be:

- 6.1 to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- 6.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 6.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

- 6.6 to review and approve the compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- 6.7 to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- 6.8 to conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the Bye-laws of the Company or imposed by relevant applicable legislation and regulations; and
- 6.9 to ensure that no director or any of his associates is involved in deciding his own remuneration. The Remuneration Committee shall advise shareholders on how to vote with respect to any service contracts or letter of appointment of directors that require shareholders' approval under rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

"Senior management" refers to the same category of persons as referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the directors, is appropriate.

7. Reporting responsibilities

- 7.1 After each meeting, the Remuneration Committee shall report formally to the Board on all matters within its duties and responsibilities.

8. Authority

- 8.1 The Remuneration Committee shall consult the chairman and/or the general manager or the chief executive of the Company about their proposals relating to the remuneration of other executive directors.
- 8.2 The Remuneration Committee is authorized by the Board when necessary to seek any remuneration information it requires from senior management of the Company to order to discharge its duties.

- 8.3 The Remuneration Committee is authorized by the Board when necessary to obtain external legal or other independent professional advice in connection with its duties at the Company's expense.

Note: All such arrangements of obtaining external legal or other independent professional advice may be made by the company secretary.

- 8.4 The Remuneration Committee shall be provided with sufficient resources to discharge its duties.

Any subsequent amendments to the relevant code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be deemed as the same amendments in this terms of reference of the Remuneration Committee with immediate effect.

* *For identification purpose only*

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